

CIA HISTORICAL REVIEW PROGRAM
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2003

Guatemala

The Men Around Arbenz/Belief that Arbenz
will Voluntarily Resign at the End of his
Term/Possible Successor/Army Support.

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Mar 54 and earlier

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1. President Arbenz is torn between his sincere desire to introduce democratic institutions into Guatemala and the frustration of watching his plans go awry because of administrative bungling. Extremely leery of giving the impression that he is a dictator, Arbenz attempts to create the impression that he makes wide delegations of authority and is greatly influenced by his cabinet ministers. Yet he is actually a very impatient administrator and has been continually disappointed by the apparent inability of his staff to obtain desired results. In fact I have often heard him engaged in violent arguments and harsh bitter fights with

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Alfonso Martinez, Morazan and Brocamante. It is my personal opinion that these clashes have taken their toll as far as Arbenz' personal confidence in these men is concerned. I feel that he is now distrusts either their abilities or their motives more than he did one year ago.

2. The President does not mix socially with Fortuny or Gutierrez, the two top Communist leaders. I noticed no change in his attitude toward them before or after they made their trips to the USSR. Fortuny is sometimes invited along on the larger parties but almost never on small outings or intimate dinners. He was present at a New Year's party and at one large party given in February by Tony Villanova, the President's Salvadoran brother-in-law. On such occasions Arbenz rarely speaks to Fortuny. Gutierrez is rarely present at social gatherings. He impressed me as being more of an idealist about his Communism than was Fortuny.
3. I feel that the President has few illusions about Fortuny and Gutierrez. Fortuny's wife was Arbenz' personal secretary at the time he ran for president. As I understand it, she handled all of his personal, financial and social correspondence. Also at this time she was having an affair with Fortuny. She soon became with child and married Fortuny. As soon as this took place Arbenz released her as his secretary.
4. Actually Arbenz appears to have wavered very little in the comparative outward favoritism shown to his friends and associates. A possible exception to this might be cited in regard to an apparent increase in the favor shown to the Toriello brothers, Jorge and Guillermo. The Toriello family is extremely wealthy and its members are well represented in a wide variety of business enterprises, farms and professions. The most outstanding members of the family are Guillermo, Jorge, Armando and Enrique.
5. During February 1954 I was included on a cruise with the President, his family and a few friends. Among these friends was Jorge Toriello. He and the President have always been quite close and on this cruise they were more so than usual. I overheard the last part of one of their conversations as Arbenz was chiding Jorge that soon he would have to furnish him with a chauffeur. Jorge is currently the head of a very prosperous import-export business and with his family fortune behind him could have no use for a government-furnished chauffeur unless as a driver for an official limousine. I took this as an indication that Jorge might well be in line for a cabinet post or an ambassadorship.
6. In any consideration of the men around Arbenz the question invariably arises as to the identity of his successor to the presidency. The constitution limits the term to six years, and I am fairly certain that Arbenz will conform to it and resign at the end of his term in March 1957. The loose talk in political circles now points to either Martinez or to Charnaud MacDonald as likely candidates to succeed him. In my opinion, Martinez definitely has the ambition to be president, but he is still quite young in years and experience. Now only 34, it may well be that he will be advised by others to wait a few years. His election in 1956 would definitely be very bad for the country, primarily because of his apparent incompetence. I feel that he has disappointed Arbenz in his failure to carry out orders and get results.
7. Charnaud MacDonald, on the other hand, has considerable administrative experience (Minister of Government & Police) and is skilled in political maneuvering. He is probably busy lining up an organization to back him. Personally, I have not come to know Charnaud very well. He is always quiet and never free with his opinions.

8. My personal choice for the next president is Guillermo Toriello, the former ambassador to the US and recent delegate to the Caracas Conference. Although liberal minded and vehemently nationalistic, Toriello is diametrically opposed to all forms of Communism. He is wealthy enough to be financially incorruptible, and as far as I know his integrity has not been questioned. He is known to work well with other government officials and commands a great deal of respect in business circles. Although he has no organized political following of his own, with Arbenz' endorsement and influence behind him he might well emerge as a successful candidate.
9. As far as Communist hegemony in Guatemala is concerned, I am making my personal plans on the conclusion that the Communist organization in Guatemala will not attempt to take over total power in Guatemala as long as Arbenz is president. I also feel that they would be foolish to attempt the seizure of power by violence because any indication of such action would be an open invitation for US armed intervention and under such circumstances the intervention would be sincerely welcomed by all of the literate non-Communist Guatemalans.
10. Meanwhile, I hold little stock in rumors of an army-led revolt or palace coup. I doubt that such an adventure would prove successful primarily because I am convinced that the members of the Guatemalan officer corps are solidly in favor of Arbenz as their candillo and their President. This is true because his administration has done more materially and psychologically for the individual members of the officer corps than any of them had hoped. The President has kept his promises to them since he has been in office and has maintained many of his close personal friendships. To begin with all officers received substantial pay increases. In addition to this, Arbenz started his program of selling government lands to the officers. This has really worked out well as the lands included very desirable residential areas in Guatemala City. The program also included provisions for making low cost long-term house loans available to the officers. This is really appreciated by the officers, to many of whom this is their only chance to become property owners. Now that they are paying off mortgages they have something to look forward to in that they will have their homes paid off by the time they retire. The success of this program is attested to by the colony of such new houses going up in the city. The longer an officer makes payments on his house the larger becomes his equity in the house, and also the larger becomes his personal interest in maintaining the regime which operates the housing program. The elevation to property-owner status has had a beneficial psychological effect as well and tends to thwart Communist propaganda beamed at the officer corps. Incidentally, I feel that any cut-and-dried association of the officer corps with the ultra-conservative opposition would be a misconception. Actually, if any conditions were intolerable to the officer corps they would look to Arbenz as the best possible source of action in their behalf.

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